

# News Release

# Senator Pete V. Domenici

---

FOR IMMEDIATE RELEASE

MAY 10, 2000

## DOMENICI COSPONSORS BILL TO KEEP NEW MEXICO FROM LOSING \$58 MILLION FOR CHILD HEALTH CARE

### Legislation Would Allow N.M. to Keep SCHIP Funding Through 2002

WASHINGTON -- U.S. Senator Pete Domenici today cosponsored legislation to keep New Mexico from losing about \$58 million in federal aid to expand health insurance coverage for low-income children.

Domenici is cosponsoring the **State Children's Health Insurance Program (SCHIP) Preservation Act of 2000**, S. 2434, which will allow states to retain their current SCHIP funding allotments through FY 2002. Without enactment of this legislation, New Mexico stands to lose about \$58 million in SCHIP funding on Oct. 1, 2000.

"In this instance, New Mexico faces being penalized for being ahead of the curve. It is unfair for states like New Mexico to lose federal health care insurance resources because it acted to help more families before Congress. This bill will attempt to fix the problem," Domenici said.

SCHIP is the Medicaid program created as part of the 1997 Balanced Budget Act. It was intended to provide health coverage for 10 million uninsured children nationwide.

In 1995, New Mexico acted on its own to expand Medicaid coverage to include more children--two years before Congress created that national SCHIP initiative. However, the 1997 federal law prevents the use of its funds to cover any child already eligible for Medicaid. Because New Mexico acted early to expand coverage, it is now precluded from using SCHIP funds for children who would have otherwise qualified had the state not been progressive in improving coverage.

So while the state receives about \$57 million annually in federal SCHIP funding, the law prevents New Mexico from using more than \$3 million of that pot, which only covers approximately 5,500 uninsured children.

The New Mexico SCHIP plan expanded Medicaid eligibility for uninsured children up to age 19 who live in families considered 235 percent of the federal poverty limit--about \$37,000 for a family of four. This expansion covers only about 5,500 uninsured children up to age 19 in New Mexico,

according to the New Mexico Human Services Department.

However, there are about 70,000 New Mexico children below 185 percent of poverty who are eligible, but not enrolled in Medicaid. Domenici said the SCHIP reforms he supports would allow the state to use the currently untouchable SCHIP funding to insure these children.

Governor Gary Johnson and the New Mexico Department of Health and Department of Human Services all requested that Domenici cosponsor S.2434.

The bill, which has been referred to the Senate Finance Committee, was introduced by Sen. Lincoln Chafee (R-R.I.). It is also cosponsored by Domenici and Senators Richard Bryan (D-Nev.), Conrad Burns (R-Mont.), Robert Byrd (D-W.V.), Dianne Feinstein (D-Calif.), Slade Gorton (D-Wash.), Paul Sarbanes (D-Md.), Gordon Smith (R-Ore.), Fred Thompson (R-Tenn.), and Paul Wellstone, (D-Minn.).